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Edward Phillips
Attorney
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J.R.A. DOCKET ROOM

NCWKFR0313
14111 Capital Blvd
Wake Forest, NC 27587-5900
Voice 919 554 7870
Fax 919 554 7913
edward.phillips@mail.sprint.com

June 21, 2004

Chairman Deborah Taylor Tate
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: Rebuttal Testimony of Hoke R. Knox
Docket No. 03-00633

Dear Chairman Tate.

Enclosed for filing in the above referenced docket is the original and thirteen copies of the rebuttal testimony of witness Hoke R. Knox filed on behalf of SprintCom, Inc. d/b/a Sprint PCS. Under cover of this letter, copies of this filing are being served upon all parties of record.

Please do not hesitate to call me at your convenience if there are any questions or concerns with this filing.

Sincerely yours,

Edward Phillips

HEP:sm

Enclosure

cc: R. Dale Grimes
Timothy C. Phillips
Melvin J. Malone

CERTIFICATE OF SERVICE

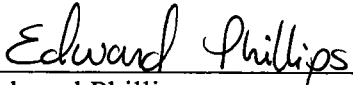
I hereby certify that I have served a copy of the foregoing Rebuttal Testimony of Witness Hoke R. Knox filed on behalf of SprintCom, Inc. d/b/a Sprint PCS upon all parties of record to this Docket by depositing a copy addressed to each in the United States Mail, first-class postage prepaid.

This 21st day of June, 2004.

R. Dale Grimes
Bass, Berry & Sims PLC
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238-3001

Timothy C. Phillips
Assistant Attorney General
Office of the Attorney General
P. O. Box 20207
Nashville, Tennessee 37202

Melvin J. Malone
Verizon Wireless
1200 One Nashville Place
150 4th Avenue North
Nashville, Tennessee 37219-2433



Edward Phillips
SprintCom, Inc. d/b/a Sprint PCS

REBUTTAL TESTIMONY
OF
HOKE R. KNOX
ON BEHALF OF
SPRINTCOM, INC., D/B/A SPRINT PCS

1 **Q. Please state your name and business address.**

2 A. My name is Hoke R. Knox. I am Senior Manager Regulatory Policy for Sprint
3 Corporation. My business address is 6450 Sprint Parkway, Overland Park,
4 Kansas 66251.

5

6 **Q. Did you file Direct Testimony in this Docket?**

7 A. Yes.

8

9 **Q. Have you read the Direct Testimonies of Verizon and Tennessee Coalition of**
10 **Rural Incumbent Telephone Companies and Cooperatives in this Docket?**

11 A. Yes.

12

13 **Q. Many of the Petitioners' witnesses were asked if they had received a request**
14 **for local number porting from a wireless carrier with a point of interconnection in**
15 **the Petitioner's respective rate centers or whether they had received a request from**
16 **a wireless carrier that has numbering resources in the rate center. Is this a relevant**
17 **inquiry?**

18 A. No, it is not. The FCC clearly ruled that a wireless carrier need not have a point
19 of interconnection in the LEC rate center or numbering resources in the LEC rate center
20 in order to request the implementation of number portability.

21 [W]e clarify that nothing in the Commission's rules limits porting
22 between wireline and wireless carriers to require the wireless carrier to

1 have a physical point of interconnection or numbering resources in the
2 rate center where the number is assigned.¹
3

4 To reiterate from my direct testimony, a *bona fide* request for portability must contain the
5 following: (i) a specific request for number portability; (ii) a discrete geographic area in
6 which portability is requested, and, (iii) a date by which implementation is requested.
7 Sprint's BFRs to Petitioners contained each of these elements. Clearly, a wireless carrier
8 need not have a point of interconnection or numbers in the LEC rate center. In addition,
9 a wireless carrier need not prove or otherwise demonstrate coverage area to the LEC in
10 order for its BFR to be valid
11

12 **Q. Were any of the Petitioners' witnesses asked if they had received a valid or**
13 ***bona fide* request for number portability from a wireless carrier?**

14 A. Strangely, no they were not. The line of questioning contained in Petitioners'
15 testimony would lead one to believe that, because the Petitioners had not received a
16 request from a wireless carrier with a point of interconnection or numbering resources in
17 the rate center, the wireless carriers' requests were somehow invalid. As I just explained,
18 however, Sprint's requests for number portability were clearly valid because they are in
19 conformance with the criteria outlined by the FCC and there is absolutely no requirement
20 that a wireless carrier must have a point of interconnection or numbering resources in the
21 LEC rate center.
22

¹ In the Matter of Telephone Number Portability, Memorandum Opinion and Order and Further Notice of Proposed Rulemaking, CC Docket No 95-116, FCC 03-284, at ¶ 1 (rel Nov 10, 2003)(hereinafter "Intermodal LNP Order")

1 **Q. In your Direct Testimony on page 8 you stated the Petitioners failed to satisfy**
2 **the requirements of Section 251(f)(2). Do you still believe this?**

3 A. Yes. Having reviewed the testimony filed by Petitioners' witnesses, they have not
4 introduced anything new to the record that demonstrates that intermodal porting is
5 technically infeasible, unduly economically burdensome, or causes a significant adverse
6 economic impact on the users of telecommunications services generally. In addition, the
7 Petitioners have also failed to demonstrate how granting their petition is consistent with
8 the public interest.

9

10 **Q. Did Petitioners come forward with a total cost to the end user in their Direct**
11 **Testimony.**

12 A. Most of the witnesses responded with a statement along the lines of "Because we
13 are only in the middle of the process to arrange for all the necessary end office and back
14 office functions, I am not sure we can provide an all-inclusive number at this time."
15 Simply put, these Petitioners have not met their burden of proof and the TRA has no
16 basis upon which to find that there is a significant adverse impact to Petitioners' end
17 users.

18

19 A few of the witnesses did, however, attempt to provide an end user cost estimate. Desda
20 K. Passarella Hutchins on behalf of Loretto Telephone Company, Inc. believes the end
21 user cost would be \$18.32 per end user. However, witness Hutchins fails to divide such
22 cost over a sixty (60) month period as required in 47 C.F.R §52.33(a)(1)(iv) Assuming
23 the costs are accurate and recoverable, the resulting end user surcharge would be \$0.31

1 per line per month. Similarly, Leslie Greer on behalf of DeKalb Telephone Cooperative
2 d/b/a DTC Communications estimates end user costs of \$12.83, but, again, the witness
3 fails to divide such costs over a sixty (60) month period. The resulting surcharge would
4 be \$0.21 per line per month. Lera Roark on behalf of Crockett, Peoples and West
5 Tennessee Telephone Companies appears to have made the best attempt to estimate costs
6 on a per end user, per month basis as required by 47 C.F.R. §52.33. The results for the
7 companies on whose behalf witness Roark testifies: Crockett - \$0.50; Peoples - \$0.40;
8 and, West Tennessee - \$0.48.

9
10 **Q. Did Sprint Local have an LNP cost recovery charge?**

11 A: Yes. Customers of Sprint's incumbent LEC paid an LNP recovery fee of \$0.48
12 per line per month for a period of five years.²

13
14 **Q. For the Petitioners that have supplied an end user estimate, do the resulting**
15 **surcharges represent a significant adverse economic impact on the ICO's end user**
16 **customers?**

17 A. No. For the Petitioners that have supplied an end user estimate, the resulting
18 surcharges do not qualify as a significant adverse economic impact on users of
19 telecommunications services as required in Section 251(f)(2)(A)(i). By comparison to
20 Sprint's incumbent LEC's surcharge, these estimated monthly surcharges ranging from
21 \$0.21 to \$0.50 are well within reason.

22

² See *LNP Tariff Filings of Sprint Local Telephone Companies*, 14 FCC Rcd 3828 (1999).

1 The estimated Loretto Telephone and DeKalb Telephone surcharges, if approved by the
2 FCC, are significantly less than the surcharges paid by Sprint's local customers. It would
3 be difficult to contend that \$.48 per line per month is an acceptable level of impact on
4 customers but \$.31 or \$.21 per line per month are unacceptable or otherwise qualify as
5 significant adverse impacts to Loretto and DeKalb customers. And, the surcharges for
6 Crockett, Peoples and West Tennessee ranging from \$.40 to \$.50 are quite comparable
7 to Sprint's surcharge.

8
9 **Q. Michael Hicks' testimony was relied upon by many of the other Petitioners'**
10 **witnesses. Can you discern the purpose of his testimony?**

11 A. No, I cannot. Mr. Hicks stated purpose is to relay his experiences porting with
12 CLECs in order to explain issues a LEC must address beyond the equipping of central
13 offices in order to implement LNP. While he accomplishes his goal, I cannot determine
14 what relevance his testimony has to whether the Petitioners have met their burden under
15 the tests established in 251(f)(2). His testimony outlines the technical processes required
16 for porting, however, nowhere does he demonstrate or even contend that LNP is
17 technically infeasible. Indeed, he describes TDS Telecom as having implemented all the
18 back office processes required for LNP, installed the required switch software, and made
19 LNP available in all its Tennessee properties. It sounds to me that Mr. Hicks is ready and
20 able to port. It is the task of the TRA to ensure that he is *willing* to port

21
22 **Q. Several members of the rural coalition admit that they are or will soon be**
23 **LNP capable. Please comment.**

1
2 A. Ben Lomand Rural Telephone Cooperative, Inc., CenturyTel of Adamsville,
3 CentruyTel of Claiborne, Inc., CenturyTel of Ooltewah-Collegedale, Highland
4 Telephone, Loretto Telephone Company, Inc., North Central Telephone Cooperative,
5 Inc , Twin Lakes Telephone Cooperative Corp , and Yorkville Telephone Cooperative
6 currently have software and hardware necessary to port a number. Dekalb Telephone
7 will be in the near future. They have already made the necessary investments needed to
8 make their networks LNP capable. This proves that LNP is technically feasible. The
9 only barrier preventing Tennesseans from enjoying number portability is the efforts of
10 Petitioners to avoid their legal obligation to implement LNP.

11

12 **Q. Many of the Petitioners' witnesses are asked if their respective companies**
13 **have any agreements in place with a wireless carrier that addresses how end user**
14 **traffic is to be physically exchanged between the two companies. Are such**
15 **agreements necessary for LNP implementation?**

16 A. No, they are not. The FCC stated unequivocally in its Intermodal LNP
17 Order, "wireline carriers may not require wireless carriers to enter into interconnection
18 agreements as a precondition to porting between the carriers."³ Moreover, such
19 agreements are not typically necessary today for the exchange of traffic between wireline
20 and wireless carriers (*i.e.*, irrespective of porting). However, Sprint will negotiate in
21 good faith with any telecommunications carrier wanting to commence interconnection
22 negotiations, but the TRA must understand that:

³ Intermodal LNP Order at ¶ 1

1 (a) As a matter of federal law, the TRA cannot postpone the Petitioners'
2 statutory number portability obligations pending the execution of an
3 interconnection agreement; and

4 (b) As a matter of fact, the execution of an interconnection agreement
5 would not change in any way the Petitioners' complaint over transport
6 costs, because the Petitioners' position is inconsistent with the
7 Communications Act and FCC rules affirmed on appeal.

8 Interconnection negotiations would not achieve the ends that the Petitioners seek. This is
9 because, under existing FCC rules affirmed on appeal, the Petitioners would still be
10 required to pay the cost of transport for land-to-mobile calls – even if wireless carriers
11 agreed to interconnect directly with each Petitioner. In most circumstances, direct
12 interconnection would simply increase the costs of service for both RLECs and wireless
13 carriers alike.

14
15 **Q. Would you please explain further your understanding of federal law in this**
16 **area and, in doing so, can you address the Petitioners apparent inability to**
17 **understand how they would transport a call to a number that has been ported to a**
18 **wireless provider?**

19 **A** First of all, incumbent LECs cannot compel wireless carriers to interconnect
20 directly with them. Since the inception of the mobile telephony industry 20 years ago,
21 wireless carriers have interconnected indirectly with RLECs *via* Type 2A
22 interconnection.⁴ Congress confirmed this arrangement in 1996 by specifying that

⁴ With Type 2A interconnection, a wireless carrier's mobile switch connects directly to the LATA tandem switch, just as RLEC end office switches connect directly to the LATA tandem switch. Type 2A thus

1 wireless and other competitive carriers need interconnect only indirectly with other
2 carriers.⁵

3 Moreover, the FCC has held that it is the interconnecting carrier, not the
4 incumbent LEC, that can choose the type of interconnection “based upon their most
5 efficient technical and economic choices,”⁶ expressly ruling that “a LEC is obligated to
6 provide a CMRS provider with the interconnection of its choice upon its request.”⁷ In
7 this regard, FCC rules explicitly state that a “local exchange carrier *must provide* the type
8 of interconnection reasonably requested by a mobile carrier.”⁸ If wireless carriers can
9 choose to interconnect indirectly with other carriers, it necessarily follows that an
10 incumbent LEC (including an RLEC) cannot unilaterally compel a wireless carrier to
11 interconnect directly to it.

12 In addition and completely ignored by the Petitioners, *use of direct*
13 *interconnection would not change their intercarrier compensation obligations in any*
14 *way*. Under current interconnection rules,⁹ the originating carrier – an RLEC for land-to-
15 mobile traffic, and a wireless carrier for mobile-to-land traffic – is responsible for
16 delivering its customers’ calls to “the terminating carrier’s end office switch, or

provides indirect interconnection with all other switches that subtend the LATA tandem switch, whether the subtending switch is owned by an incumbent LEC (including rural LECs), a competitive LEC, or another CMRS provider. See *Notes on the Network*, TR-NPL-000275, Section 16, Cellular Mobile Carrier Interconnection, at 16-2 § 2.03 (April 1986) (“The Type 2A interconnection is at the MTSO and a designed BOC tandem switching system. Through this option, the CMC [Cellular Mobile Carrier] can establish intra-LATA connections to BOC end offices connected to the tandem *and to other carriers interconnected through the tandem*”) (emphasis added).

⁵ See 47 U.S.C. § 251(a)(1) (“Each telecommunications carrier has the duty to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers.”) See also *First Local Competition Order*, 11 FCC Rcd 15499, 15991 ¶ 997 (1996).

⁶ *First Local Competition Order*, 11 FCC Rcd at 15991 ¶ 997. See also *Virginia Arbitration Order*, 17 FCC Rcd 27039, 27085 at ¶ 88 (2002).

⁷ *Bowles v. United Telephone*, 12 FCC Rcd 9840, 9849 ¶ 15 (1997).

⁸ 47 C.F.R. § 20.11(a) (emphasis added).

⁹ For traffic exchanged between a LEC and wireless carrier, these rules apply to intraMTA traffic. See 47 C.F.R. § 51.701(b)(2).

1 equivalent facility.”¹⁰ If the originating carrier makes arrangements for its own transport
2 to the destination switch, the originating carrier cannot charge the terminating carrier for
3 the costs of this transport¹¹ – including when the point of interconnection is outside the
4 incumbent LEC’s originating exchange.¹²

5 These transport cost rules do not change if carriers interconnect directly rather
6 than indirectly *via* transit services. Assume a wireless carrier obtained a facility (or
7 trunk) in order to interconnect directly with an RLEC. The point of interconnection
8 (“POI”) between the two carriers would now be located at the RLEC’s end office
9 switch.¹³ Under existing rules, the wireless carrier would recover from the RLEC the
10 wireless carrier’s costs for transporting the RLEC’s land-to-mobile traffic from this POI
11 to the mobile switch serving the called party.¹⁴ As the FCC has stated

12 Under current Commission rules interpreting the reciprocal compensation
13 obligations of incumbent LECs, the calling party’s LEC must compensate
14 the called party’s LEC for the additional costs associated with transporting

¹⁰ 47 C.F.R. § 51.701(c)

¹¹ See 47 C.F.R. § 51.703(b) (“A LEC may not assess charges on any other telecommunications carrier for telecommunications traffic that originates on the LEC’s network”) See also *TSR Wireless v. U.S. West*, 15 FCC Rcd 11166 (2000), *aff’d* *Qwest v. FCC*, 252 F.3d 462 (D.C. Cir. 2001). This fact is recognized by the RLEC’s own trade association. See National Telecommunications Cooperative Association (“NTCA”) Ex Parte, CC Docket No. 01-92 (March 10, 2004), *attaching* NTCA, *Bill and Keep Is It Right for Rural America*, at 40 (March 2004) (“[T]he carrier that originates the call will pay the transiting function”).

¹² See, e.g., *Southwestern Bell v. Texas Public Utilities Comm’n*, 348 F.3d 482 (5th Cir. 2003), *Mountain Communications v. FCC*, 355 F.3d 644 (D.C. Cir. 2004), *MCImetro v. BellSouth*, 352 F.3d 872 (4th Cir. 2003).

¹³ A POI is “point of interconnection between two networks, designated by two telecommunications carriers, at which one carrier’s responsibility for service begins and the other carrier’s responsibility ends.” See 47 C.F.R. § 51.5 (definition of meet point). While the POI defines which carrier is responsible for obtaining and maintaining the facilities (or trunks) on either side of the POI, the POI does *not* determine the financial obligation for traffic carried over the facilities. See 47 C.F.R. § 51.5 (definition of interconnection) (“Interconnection is the linking of two networks for the mutual exchange of traffic. This term does not include the transport and termination of traffic.”)

¹⁴ See 47 C.F.R. § 51.701(c) (“[T]ransport is the transmission and any necessary tandem switching of telecommunications traffic subject to section 251(b)(5) of the Act from the interconnection point [*i.e.*, POI] between the two carriers to the terminating carrier’s end office switch that directly serves the called party, or equivalent facility.”) See also *id.* at § 51.709(b) (“The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers’ networks shall recover only the costs of the proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier’s network.”)

1 the call from the carriers' interconnection point to the called party's end
2 office, and for the additional costs of terminating the call to the called
3 party.¹⁵

4 RLECs and wireless carriers have historically utilized indirect interconnection
5 because, given the amount of traffic they exchange, it is generally more economical than
6 direct interconnection. Indeed, as an RLEC trade association acknowledged recently

7 Since all carriers in a service area or market must at some point connect to
8 the area tandem, there is efficiency in utilizing the tandems to route calls
9 to other carriers instead of building a direct connection to each carrier.¹⁶

10 Requiring direct interconnection in all cases would thus not simply be unlawful, but in
11 most circumstances it would harm both interconnecting carriers because it would involve
12 a more costly arrangement than use of available transit services coupled with use of
13 existing facilities connecting each carrier's switches to the LATA tandem switch.

14
15 In summary, the interconnection negotiations that the RLECs seek would not result in the
16 end they desire. RLECs may in negotiations demand that wireless carriers interconnect
17 directly with them and assume paying 100 percent of all transport costs – that is, the
18 transport costs for mobile-to-land traffic and the transport costs for land-to-mobile traffic.
19 Wireless carriers could not agree to such a one-sided arrangement. While RLECs may
20 take this dispute to arbitration, given the clarity of the FCC's rules, the TRA would have
21 no choice but to rule in favor of the wireless carriers.¹⁷ And, as is apparent, this transport

¹⁵ *Unified Intercarrier Compensation Regime*, 16 FCC Rcd 9610, 9614 ¶ 8 (2001).

¹⁶ See National Telecommunications Cooperative Association ("NTCA") Ex Parte, CC Docket No. 01-92 (March 10, 2004), *attaching NTCA, Bill and Keep Is It Right for Rural America*, at 41 (March 2004)

¹⁷ Completely baseless is the Petitioners' assertion that applicable interconnection rules are not clear because Sprint filed a declaratory ruling petition regarding incumbent LEC rating and routing issues. See, e.g., Petitioners' Reply to Entry of April 28, 2004 at 8 (May 6, 2004). Sprint filed this FCC petition not because the FCC's rules are unclear, but because certain incumbent LECs (like the Petitioners) refuse to acknowledge their obligations under existing rules.

1 cost recovery has little to do with number portability – because the same issue exists
2 whether or not an RLEC is LNP-capable.

3

4 **Q. Mr. Steven Watkins' testimony discusses location portability in his**
5 **testimony, is Sprint seeking location portability?**

6 A. As discussed in my Direct Testimony, the type of number portability Sprint seeks
7 is service provider portability – not location portability. I cannot understand why Mr.
8 Watkins continues to address this issue. The FCC stated:

9 We conclude that porting from a wireline to a wireless carrier that does not
10 have a point of interconnection or numbering resources in the same rate center
11 as the ported number does not, in and of itself, constitute location portability,
12 because the rating of calls to the ported number stays the same . . . a wireless
13 carrier porting-in a wireline number is required to maintain the number's
14 original rate center designation following the port.
15

16 Sprint will retain the number's original rate center. Perhaps Mr. Watkins wishes to
17 obfuscate the issue by breathing in terminal mobility inherent with wireless service and
18 posturing such mobility as incongruous with the ability for the mobile customer to truly
19 be "at the same location." The TRA must look past such tactics and recognize that the
20 FCC has clearly ruled that the type of portability sought by wireless carriers is, indeed,
21 service provider portability and that the mobile nature of wireless service does not affect
22 the portability of the number as it will retain the LEC rate center designation for purposes
23 of rating and routing.

24 **Q. Many of the Petitioners' witnesses do not believe that the wireless carriers**
25 **who have requested LNP have adequate coverage in the Petitioners' service areas.**
26 **What is your response?**

1 A. We believe our coverage will be judged as adequate or inadequate in the
2 marketplace, specifically by the consumer considering an intermodal port. We
3 understand that some of the Petitioners' current customers will ultimately decide not to
4 port their number to Sprint because our coverage doesn't meet their needs; importantly
5 however, the consumer should be afforded such a choice. Success by the Petitioners in
6 this proceeding will ensure that Tennessee consumers will not have such a choice and
7 telecommunications competition will be thwarted to the detriment of all – and not just
8 those wishing to port numbers to wireless carriers.

9
10 **Q. Do Petitioners' witnesses contend that a suspension of their LNP obligations**
11 **will serve the public interest, convenience and necessity?**

12 A. No, I don't believe so. Petitioners certainly posit that a suspension will serve their
13 companies' interests, but they do not demonstrate how the public will benefit from a
14 suspension. Of course, the TRA must find that a suspension is in the public interest in
15 order to grant the petitions. Sprint, on the other hand, has demonstrated that granting the
16 suspension will affirmatively harm the public interest, convenience and necessity. The
17 obvious harm will be to competition which is greatly needed particularly in rural markets.
18 Without wireless carriers competing on a level playing field, the bounties of competition
19 – lower prices, innovative services, enhanced quality – will not be realized. The not-so-
20 obvious harm will be to number conservation in general and number pooling specifically
21 because a grant of LNP suspension means these carriers will also be exempted from
22 participating in thousand block number pooling.

1 Q. Does this conclude your rebuttal testimony?

2 A. Yes.